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BIOWORLD® TODAY

THURSDAY
OCTOBER 9, 2003

THE DAILY BIOTECHNOLOGY NEWSPAPER

VOLUME 14, NO. 196
PAGE 1 OF 7

Acusphere's $52.5M Pricing Likely Is Not IPO Bellwether

By Randall Osborne
National Editor

With an ultrasound imaging agent in Phase III, Acusphere Inc. became the first kernel of corn to pop in the IPO pan, raising $52.5 million by pricing its 3.75 million shares at $14 – the mid-point of its targeted $13 to $15 range.

Given the parade of biotechnology firms lately to file for IPOs, market watchers might be wondering if they'll end up with an entire bowl. Jason Zhang, analyst with the Independent Research Group, a division of www.TheStreet.com, doubts that.

Zhang, who does not cover Watertown, Mass.-based Acusphere, called the firm's IPO "pretty brave, but diagnostic imaging is a different business. The buy side is not all that enthusiastic about IPOs" of the more traditional kind yet, he said.

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CTI Raises $56M In Series B; Asthma Product To Benefit

By Karen Pihl-Carey
Staff Writer

Privately held Critical Therapeutics Inc. raised $56 million in a Series B financing that will help the company develop its pipeline of anti-inflammatory products, including its lead drug for asthma.

"This comfortably takes us through commercialization of the product, which our present timelines put at the end of 2005," said Paul Rubin, the Cambridge, Mass.-based company's president and CEO. Rubin added that the money would probably carry the company all the way into 2006.

The financing not only will help Critical Therapeutics (CTI) accelerate its clinical and preclinical development programs, but it also will help the company expand its research initiatives and create a sales and marketing

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Vicuron Starts Third Dalbavancin Phase III To Strengthen Package

By Kim Coghill
Washington Editor

Vicuron Pharmaceuticals Inc. started a Phase III trial to compare its antibiotic candidate, dalbavancin, with vancomycin, a standard of care for the treatment of skin and soft-tissue infections.

The 150-patient Phase III is designed to evaluate the clinical efficacy of dalbavancin compared to vancomycin for the treatment of adult patients with skin and soft-tissue infections (SSTIs) suspected or confirmed to be caused by methicillin-resistant *Staphylococcus aureus* (MRSA).

It's not the first Phase III for dalbavancin. Vicuron, of King of Prussia, Pa., plans to include the new Phase III trial as part of a new drug application based on two larger pivotal Phase III trials currently in progress. All three are expected to be completed by mid-2004, with data ready

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Partner Wanted: Sandia Seeking MicroChemLab Marketing Help

By Karen Young
Staff Writer

Sandia National Laboratories is looking to team with companies in the private sector to bring its prototype, hand-held chemical and biotoxin detection system, called MicroChemLab, to the market.

Livermore, Calif.-based Sandia dates back to the time of the Manhattan Project and is a research and development facility operated by Lockheed Martin for the U.S. Department of Energy's National Nuclear Security Administration. Its goal is developing materials for national defense.

The hope for MicroChemLab is that it can be used to detect toxic agents in the event of bioterrorism and for use in the military, but Sandia said there also are "a variety of applications and near-term commercialization opportuni-

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OTHER NEWS TO NOTE

• **Amersham plc**, of London, said it received an approach from an unnamed suitor, which might or might not lead to an offer for the company. But Amersham added that no agreement has been reached and it plans to make a further announcement when appropriate. The company is a maker of diagnostic products and tools. Its shares (NYSE:AHM) gained $7.39 Wednesday, or 16.1 percent, to close at $53.41.

• **AVI BioPharma Inc.**, of Portland, Ore., said it would begin a second clinical study evaluating AVI-4020 in patients with West Nile virus, allowing expanded access to the Neugene antisense drug in response to requests from physicians for access to AVI-4020 for seriously ill patients who have limited treatment options. The new study would allow physicians to get AVI-4020 via requests through an FDA-approved protocol. Data from the new study would provide additional safety and efficacy information for further clinical development of the compound. AVI's ongoing study continues to enroll patients.

• **Berlex Pharmaceuticals**, a U.S. affiliate of Schering AG, of Berlin, said pathologic findings to be published in the November edition of the *Annals of Neurology* describe its discovery that might lead to the development of an Alzheimer's disease-specific brain imaging biomarker for early diagnosis and tracking of disease progression. The company found that a receptor protein molecule, CCRI, which is usually found on the surface of white blood cells also is present in the brains of Alzheimer's patients. Further, increasing levels of CCRI in the brain correlate with advancement of the disease, Berlex said.

• **Bioenvision Inc.**, of New York, plans to begin later this year a Phase I dose-ranging trial of the more efficacious isoforms of the anticancer agent gossypol, subject to compliance with certain regulatory requirements. The company said it has developed a process to separate and purify isoforms of gossypol, and to manufacture each isoform in sufficient quantities for clinical use. Gossypol has shown efficacy against a range of human cancers, Bioenvision said, noting that collaborators at Bowman Research Ltd. in the UK discovered that one of the compound's two isoforms shows much greater anticancer activity than the other.

• **BioVision AG**, of Hannover, Germany, and **AstraZeneca plc**, of London, entered a collaboration to focus on the discovery of new biomarkers of inflammatory disease. BioVision will apply its phenotyping approach, which is based on the high-resolution profiling of peptides and small proteins. It combines BioVision's Peptidomics technology with other processes and bioinformatics.

• **Cellectricon AB**, of Gothenburg, Sweden, granted an exclusive license of its electroporation technology to **Axon Instruments Inc.**, of Union City, Calif. Axon Instruments will incorporate the technology into its Axoporator line of products, used for internalization of DNA, drugs and large molecules into cells. The agreement includes undisclosed license fees and potential future royalties.

• **Cognia Corp.**, of New York, licensed its Transfac Professional database to research groups at **Pfizer Inc.**, also of New York, and **Chiron Corp.**, of Emeryville, Calif. Transfac and Transpath Professional provide information resources on gene transcription regulation.

• **Cytogen Corp.**, of Princeton, N.J., said it would report data at this week's International Union of Biochemistry & Molecular Biology and Human Proteome Organization meeting in Montreal, revealing new aspects of a signaling pathway implicated in cancer. More specifically, the company found links between ErbB-4 (a member of the epidermal growth factor protein-tyrosine kinase receptor family), WW-domain containing protein YAP (Yes-associated protein), tumor suppressor protein P73, and a member of the membrane-associated guanylate kinase family in a signaling pathway regulating several cellular functions important to both the proliferation and survival of cancer cells. Cytogen said the findings represent the first in vivo validation of its in vitro drug discovery platform.

BIOWORLD® TODAY (ISSN# 1541-0595) is published every business day by the BioWorld® Publishing Group, a division of Thomson BioWorld®, 3525 Piedmont Road, Building Six, Suite 400, Atlanta, GA 30305. Opinions expressed are not necessarily those of this publication. Mention of products or services does not constitute endorsement.

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THOMSON

Acusphere

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Acusphere began trading Wednesday on Nasdaq under the symbol "ACUS," closing at $14.03.

Although Acusphere is in a quiet period mandated by the SEC, John Thero, chief financial officer, was able to say that "a number of investors went out of their way to say how pleased they were to say the life sciences IPOs are back."

He noted Acusphere's lead product, AI-700, is "regulated as a drug by the FDA and injected into the body like a drug." What's more, it is not the company's only candidate.

"We were very happy with the level of attention we received in the road-show process," Thero told *BioWorld Today*.

Acusphere disclosed in its prospectus that proceeds from the offering – which gives the firm about 14.3 million shares outstanding – will finance efforts that include ongoing Phase III work with AI-700, an ultrasound contrast agent for myocardial perfusion imaging.

Myocardial perfusion, or blood flow to the heart, is a marker for coronary artery disease. No ultrasound agent is available now, and the standard evaluator for myocardial perfusion is the costly, time-consuming nuclear stress test, which entails radiation.

AI-700, made of hollow microparticles containing gas that reflects ultrasound, is aimed at a potential $1.9 billion market in myocardial perfusion and might be used to trace abnormal blood flow in conditions such as coronary artery disease, cancer and disorders of renal artery disease and the peripheral vascular system, the prospectus said.

Incorporated in July 1993 as Polymers for Medicine Inc., the company – which develops new drugs and new formulations of existing drugs using porous microparticles – changed its name in March 1994. It has a cumulative net loss of $103.2 million from inception through June 30 of this year, including $64.6 million spent on research and development during the period.

Phase III trials with AI-700 began earlier this year, and in April the company raised $20 million in its eighth round of financing. (See *BioWorld Today*, April 22, 2003.)

Farther back in the pipeline are AI-850 and AI-128. The first, a formulation of the cancer drug paclitaxel, was devised using Acusphere's porous microparticle hydrophobic drug delivery system, which converts drugs with poor water solubility into tiny drug microparticles embedded in a water-soluble, sponge-like matrix. The idea is to enhance tolerability. A Phase I dose-escalation study with AI-850 is expected to finish next year.

AI-128 is an inhaled, sustained-release asthma formulation developed in a joint venture with Dublin, Ireland-based Elan Corp. plc. However, that venture was terminated in October in a cash-free transaction triggered by Elan's restructuring. Acusphere got all the intellectual property and development rights to product candidates in the joint venture's pipeline, including AI-128, for which it agreed to pay Elan royalties if revenues are realized. The Phase I study with AI-128 was completed in 2002.

Acusphere said in the prospectus it expects development costs for AI-850 and AI-128 to drop "until we are prepared to commence further preclinical and clinical testing using our own resources or through strategic collaborations."

Meanwhile, Zhang told *BioWorld Today*, don't expect an avalanche of IPO pricings.

"Will it be like what happened in 2000? No," he said. "Investors are selective today. A few will do well, but a lot will have to go back to venture capital [funds] for more money."

Even in Acusphere's case, he said, "the stock's been trading higher, but if you compare it to the open, it's down," although Zhang conceded that "might have something to do with the overall market today." Acusphere's stock rose as high $16.25 Wednesday.

"Very few companies [waiting to price an IPO] can compare to the already-listed stocks, where you can still find some good bargains," Zhang said.

Acusphere filed for the IPO July 1, having withdrawn an earlier bid at the end of 2001.

In the priced IPO, Acusphere has granted underwriters an option for another 562,500 shares of common stock to cover overallotments. The lead manager of the offering is SG Cowen Securities Corp., of New York. Co-managers are Thomas Weisel Partners LLC, of San Francisco; U.S. Bancorp Piper Jaffray Inc., of New York; and Friedman, Billings, Ramsey & Co., of Arlington, Va. ■

OTHER NEWS TO NOTE

• **Dharmacon Inc.**, of Lafayette, Colo., entered a collaboration with Rosetta Inpharmatics LLC, a wholly owned subsidiary of **Merck & Co. Inc.**, of Whitehouse Station, N.J., to develop a better understanding of factors affecting the potency and specificity of the short interfering RNA (siRNA) reagents used for RNA interference-mediated gene silencing. Dharmacon retains rights to commercialize certain resulting discoveries. Financial terms were not disclosed.

• **Endovasc Inc.**, of Montgomery, Texas, received approval from regulatory authorities in the Republic of Georgia to begin enrolling patients in its multicenter trial of Liprostin. The Georgian center is the first of eight sites to begin enrolling patients in the 120-patient, open-label study of the compound for patients with critical limb ischemia and intermittent claudication, but who do not require angioplasty. The other seven sites, located in Brazil, Mexico and Eastern Europe, are expected to begin enrollment before the end of the year.

OTHER NEWS TO NOTE

• **ESP Pharma Inc.**, of Edison, N.J., closed a $57 million senior credit facility that was co-arranged by GE Healthcare Financial Services, a unit of General Electric Corp., and Fleet Securities Inc., an affiliate of FleetBoston Financial. The credit facility was syndicated to three lenders, led by GE and including Fleet National Bank and Royal Bank of Canada. Total funding of $105 million, including prior Series A and Series B funding rounds, have been raised less than 18 months after operations began at ESP, a specialty pharmaceutical company focused on the acquisition, marketing and late-stage development of acute-care therapeutics. U.S. rights to its lead product, Cardene IV for hypertension, were acquired from Wyeth, of Madison, N.J., along with three other products.

• **Idun Pharmaceuticals Inc.**, of San Diego, initiated a Phase II trial of IDN-6556 in patients undergoing liver transplantation. IDN-6556 is designed to protect liver cells from apoptosis. The study will evaluate if IDN-6556 can decrease the cellular liver damage that can occur during the transport and transplant periods. The drug will be administered to the donor liver during transport to the transplant center, as well as to the liver recipient.

• **ILEX Oncology Inc.**, of San Antonio, began a Phase II study of the cancer compound ILX-651. The U.S.-based multicenter study is designed to evaluate the tubulin-interactive agent's efficacy and tolerability in patients with recurrent or metastatic melanoma. ILEX also said it plans to broaden the Phase II program later this year to include a study of the third-generation synthetic pentapeptide analogue of the natural substance dolastatin in non-small-cell lung cancer patients.

• **Integrated Pharmaceuticals Inc.**, of Boston, is expanding its operations to a new facility in Fitchburg, Mass., which will accommodate its additional therapeutic research programs including process development and production of biologics as well as biopharmaceuticals. The building will help the company expedite its biopharmaceuticals manufacturing activities, including the construction of a cGMP manufacturing facility.

• **ISTA Pharmaceuticals Inc.**, of Irvine, Calif., said the FDA accepted the filing of a second new drug application for Vitrase (ovine hyaluronidase), and would review the submission within six months from the application date. It was submitted two months ago seeking approval for use of Vitrase as a spreading agent to facilitate the dispersion and absorption of other drugs. ISTA also is seeking approval through the application's dosage and administration section to provide directions for reconstitution of Vitrase for potential treatment applications in the back of the eye. The submission was granted priority review status by the agency, which also is reviewing an application for the product's use in vitreous hemorrhage. (See *BioWorld Today*, Aug. 6, 2003, and April 8, 2003.)

• **Lorus Therapeutics Inc.**, of Toronto, is presenting results of preclinical studies aimed at assessing the potential therapeutic application of GTI-2040, for the treatment of breast cancer, at the American Association for Cancer Research special conference in Huntington Beach, Calif., that began Wednesday and continues through Sunday. Lorus examined the effects of combining GTI-2040 treatment with standard chemotherapeutic compounds, including doxorubicin, cisplatin and taxol. The antitumor activity of the tested combinations exceeded treatment with the single agents, it said. Also, GTI-2040 resulted in antitumor activity against chemotherapy-resistant human breast tumors implanted in mice.

• **MacroChem Corp.**, of Lexington, Mass., said it is engaged in a collaboration to evaluate a product candidate combining MacroChem's SEPA drug-absorption-enhancement technology with an undisclosed compound from **Novartis AG**, of Basel, Switzerland. The first phase of the ongoing collaboration was completed and additional testing is now beginning, the company said.

• **Nanosphere Inc.**, of Northbrook, Ill., through a licensing agreement with Northwestern University in Chicago, acquired nanoparticle detection technology for protein biomarkers. The technology, when combined with Nanosphere's nanoparticle-based detection systems for DNA, positions the company to impact the fields of molecular diagnostics, genomics and proteomics, it said. Nanosphere said its new technology exhibits 1 million times more sensitivity than standard methods in the detection of prostate-specific antigen.

• **NeurogesX Inc.**, of San Carlos, Calif., began a Phase II/III study of NGX-4010 for neuropathic pain associated with HIV infection and AIDS. Severe pain, mostly in the feet, often occurs in up to one-third of HIV-infected individuals with long-standing HIV infection and AIDS, but is difficult to treat as no FDA-approved therapy is available to date, the company said. NGX-4010 is a high-concentration capsaicin dermal delivery system that is being studied in various neuropathic pain conditions.

• **NPS Pharmaceuticals Inc.**, of Salt Lake City, said it completed dosing of all patients in its Phase III trial of Preos, a recombinant, full-length human parathyroid hormone (PTH) for osteoporosis. The company expects results from the 18-month pivotal study, known as TOP (treatment of osteoporosis with PTH), late in the first quarter of next year. The trial enrolled nearly 2,700 patients at 165 centers in North America, Latin America and Europe to test Preos' ability to reduce fracture rates in postmenopausal women with osteoporosis. Separately, NPS began a proof-of-concept study of teduglutide (ALX-0600) for Crohn's disease. The multicenter trial will enroll about 100 patients divided four ways, with three groups receiving various doses of teduglutide, a derivative of a naturally occurring protein involved in the regulation of various processes of the gastrointestinal tract. The fourth group will receive placebo.

OTHER NEWS TO NOTE

• **OriGene Technologies Inc.**, in Rockville, Md., entered a research collaboration with **Tanox Inc.**, of Houston, for the functional study of 2,000 full-length human cDNA clones encoding membrane-bound proteins. Tanox will reserve the rights for therapeutic applications identified through the collaboration. OriGene will retain the rights for research and diagnostic reagent development.

• **Prima Biomed Ltd.**, of Melbourne, Australia, reported that its subsidiary, Cancer Vac, entered an agreement with **Progen Industries Ltd.**, of Brisbane, Australia, to begin the scale-up manufacture for a therapeutic vaccine in its Phase II trial. Marcus Clark, CEO of Prima Biomed, said Progen will undertake the scale-up activities to produce a GMP grade of therapeutic vaccine.

• **Proneuron Biotechnologies Inc.**, of Los Angeles, said it would soon begin a Phase II study in the U.S. of its macrophage therapy (ProCord) for acute complete spinal cord injury. The company, which already provides the treatment in Israel, reviewed the trial's protocol with investigators and participants from four U.S. centers. According to the study's guidelines, investigators must be notified of a patient within a few days of the injury, and ProCord must be administered within 14 days of the injury.

• **RegeneRx Biopharmaceuticals Inc.**, of Bethesda, Md., completed a Phase I trial with its lead therapy, Thymosin beta-4, a wound-healing drug. Twenty volunteers were subjects of the six-month study that was initiated in March 2003 and designed to evaluate four different dosage regimens. TB4 is a naturally occurring 43-amino-acid peptide that is needed for the repair and remodeling of injured tissues, the company said.

• **Savient Pharmaceuticals Inc.**, of East Brunswick, N.J., said the FDA issued an approvable letter related to its sodium hyaluronate product for pain associated with osteoarthritis of the knee. The agency wrote that approval of the product's premarket approval application remains subject to satisfactory audit of Savient's new manufacturing facility in Israel and the finalization of product labeling. Arthrease, a treatment of three weekly injections, is approved and marketed in Europe and Israel. The high-molecular-weight formulation was developed and manufactured by Savient's wholly owned subsidiary, Bio-Technology General Ltd., in Israel. Savient last month reacquired commercial rights to the product from **DePuy Orthopaedics Inc.**, a unit of Johnson & Johnson, of New Brunswick, N.J. DePuy had exclusive worldwide rights except in Japan and Israel, and marketed the product in Europe as Arthrease. It will continue to be marketed as Arthrease in Israel, though in Europe and the U.S. it will be marketed under another name, still undisclosed.

• **Serono Inc.**, of Rockland, Mass., the U.S. affiliate of Serono SA, of Geneva, Switzerland, said the FDA approved its new prefilled syringe for Ovidrel (choriogonadotropin alpha injection), making it the first liquid, ready-to-inject therapy for infertility treatment in the U.S. Unlike other infertility treatments, the Ovidrel Pre-Filled Syringe does not require patients to mix medication prior to injection, the company said.

CTI

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infrastructure, Rubin said.

According to BioWorld Snapshots, the Series B financing is the largest private round by a biotech company this year.

CTI in-licensed its lead drug, which already is approved for asthma but in an oral form that is administered four times daily. The company has rights for a sustained-release version, which it calls CTI-02, and is developing both an oral and intravenous form that would be administered twice daily. All of the clinical work in asthma is complete, Rubin told *BioWorld Today*. The company expects to begin clinical trials in emphysema sometime in 2004. A launch of CTI-02 in asthma is expected by the end of 2005.

CTI has raised about $75 million in venture funds to date. Its anti-inflammatory products include two clinical programs and three preclinical programs that target acute and chronic inflammatory diseases. The products include the lead drug, as well as a cytoprotective drug, CTI-01, to reduce trauma-related vascular and organ damage.

"We finished single-dose Phase I trials and are moving on to the next phase," Rubin said. He expects CTI-01 to enter Phase II sometime next year.

The company also has a biologic product targeting HMGB-1. It is a pro-inflammatory cytokine to treat severe inflammatory diseases and is partnered with MedImmune Inc., of Gaithersburg, Md. (See *BioWorld Today*, Aug. 1, 2003.)

It also is developing small-molecule and vagal nerve-stimulation approaches to treat inflammation.

Rubin said the company has plans to grow from its current staff of 30 employees to about 50 employees by the end of next year.

"And we're moving into a new 40,000-square-foot facility" in Lexington, Mass., in 2004, he said.

The round was led by Advanced Technology Ventures, of Palo Alto, Calif., and Johnson & Johnson Development Corp., of New Brunswick, N.J. Other investors included MedImmune Ventures, a subsidiary of MedImmune Inc.; Oxford Bioscience Partners, of Boston; HealthCare Ventures LLC, of Cambridge, Mass.; and MPM Capital LP, of Boston.

Jean George, a partner at Advanced Technology Ventures, and Ting Pau Oei, vice president at J&J Development, will join CTI's board of directors. ■

Vicuron

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sometime during the third quarter of 2004, Dov Goldstein, Vicuron's chief financial officer, told *BioWorld Today*. Vicuron anticipates filing the NDA during the second half of 2004.

Dalbavancin, a semi-synthetic glycopeptide antibiotic, is a once-weekly, injectable, hospital-based treatment that belongs to the same class as vancomycin, one of the few products available to treat MRSA and MRSE (methicillin-resistant *Staphylococcus epidermidis*).

Company officials believe dalbavancin boasts marketing advantages because of its once-weekly dosing.

"This dosing regimen allows for cost-effective administration and a reduced need for intravenous lines that can prolong the risk of local and bloodstream infection, which may translate into shorter hospital stays for some patients," George Horner, Vicuron's president and CEO, said in a prepared statement.

The Phase III comparative study announced Wednesday is a randomized, controlled, multicenter, open-label trial. Patients will receive either two doses of intravenous dalbavancin – the first dose on day one followed by a second dose on day eight – or twice daily doses of intravenous vancomycin for 14 days. The primary endpoint will be the assessment of clinical response at the time of a follow-up visit.

Meanwhile, Vicuron continues enrolling the pivotal studies. While Goldstein wouldn't discuss specifics surrounding the number of patients enrolled, he did say the trials were on schedule.

Initiated in December by Versicor Inc. before it merged with Biosearch Italia SpA and Vicuron was born, the pivotal Phase III studies are randomized, double-blind trials. Each is designed to evaluate about 550 hospitalized patients receiving dalbavancin vs. standard antibiotics. (See *BioWorld Today*, Dec. 18, 2002, and Aug. 1, 2002.)

In the first trial, patients with complicated SSTIs will receive either a 1-gram dose of dalbavancin on the first day followed by a 500-mg dose on the eighth day, or doses of linezolid for 14 days. In the second trial, patients with uncomplicated SSTIs will receive either a 1-gram dose of dalbavancin the first day with the option of a 500-mg dose on the eighth day or intravenous cefazolin, followed by oral cephalexin. On day eight, the investigator will decide the duration of the study therapy (seven or 14 days) based on the patient's status.

Dalbavancin actually was discovered by Biosearch Italia, of Milan, Italy, although Versicor, of Fremont, Calif., had in-licensed North American rights. Through the $225 million stock swap that merged the companies, all the rights now reside with Vicuron.

Goldstein said Vicuron plans to sell dalbavancin on its own in North America and Europe, but expects to out-license the product in Japan.

Beyond dalbavancin, Vicuron expects to launch (also on its own) its lead product candidate, anidulafungin, in the first half of 2004. The FDA currently is reviewing the NDA for anidulafungin, an antifungal agent for the treatment of esophageal candidiasis, an infection of the esophagus that commonly affects patients with compromised immune systems. (See *BioWorld Today*, April 29, 2003.)

Vicuron's stock (NASDAQ:MICU) closed Wednesday at $18.59, down 4 cents. ■

OTHER NEWS TO NOTE

• **SK Bio-Pharmaceuticals**, of Fairfield, N.J., a subsidiary of SK Corp., said the FDA approved its investigational new drug application for the schizophrenia drug YKP1358. The company plans to begin U.S. clinical testing by the end of the year. The compound, which has demonstrated activity in animals that relates to both positive and negative symptoms of schizophrenia, was discovered at SK's research facilities in Fairfield and Shanghai, China; and the Taedok Institute of Technology in Korea.

• **SpectruMedix LLC**, of State College, Pa., said researchers at the Johns Hopkins University School of Medicine in Baltimore validated its Reveal technology, a genetic analysis tool designed to detect a common human genetic variant that increases the risk of thrombosis in affected individuals. Data demonstrated that Reveal accurately identified Factor V Leiden mutations in all 23/304 cases previously identified as mutation carriers. In addition, the analysis revealed an intronic Factor V mutation in one case, a finding later confirmed by gene sequencing.

• **Xenova Group plc**, of Slough, UK, initiated a second trial for TN-NIC, its therapeutic vaccine under development for nicotine addiction. About 60 smokers will be recruited in the double-blind, randomized, placebo-controlled study. Results of the study will be used to design a Phase II trial to assess the effect of vaccination with TN-NIC on tobacco consumption. The Phase II trial is expected to begin during the second half of 2004.

Sandia

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ties" in such markets as "air and water quality, medical diagnostics, biotechnology and industrial process control."

"We are looking for partners to license subcomponents that are actually really close to being ready to go, license blocks of intellectual property relating to the MicroChemLab unit, to cooperatively develop and research additional applications for [MicroChemLab] and we're looking for a systems integrator," said Jill Micheau, a business development associate at Sandia. "We'd really like to find somebody who can put these things together and push them out into the market, because the Department of Homeland Security would like these to be available to first responders."

As to whether those partners would be many or few, Micheau said it depends on the companies that approach Sandia.

"We certainly don't know how this commercialization opportunity will turn out," she said. "I think that there are so many different avenues and applications for MicroChemLab, we will probably be partnering with many companies that have different interests in applications."

MicroChemLab has two components at this point: MicroChemLab BD (Bio-Detection) and MicroChemLab CD (Chemical Detection). One of the hopes for a partner is that the two "boxes" can be brought together in an "elegant" fashion, Micheau said.

MicroChemLab BD is a liquid-phase system that is microfluidic based and is designed to discriminate proteins to detect and identify biotoxins, viruses and bacterial agents. The first generation of the system was taken to the Defense Science and Technology Laboratory in Porton Down, UK, to test its ability to detect biotoxin variants.

"It successfully detected seven different forms of ricin and could distinguish between two staphylococcal enterotoxin variants," Sandia said, noting that the event helped develop a second prototype, which is scheduled for field trials this fall.

MicroChemLab CD involves two gas-phase systems – one hand held and one autonomous – that can be used for the detection of chemical warfare agents and a selection of toxic industrial chemicals, explosives and organic solvents. The systems have been tested with nerve and blister agents.

Two of the units have been sent to the U.S. Army Soldier Biological and Chemical Command for testing. Sandia said a stationary gas-phase system that performs readings every two minutes is currently deployed in the Boston subway system and has performed more than 100,000 tests with no false positive readings.

Sandia's research and development role prevents it from taking products to the market, but it does have "robust working prototypes," Micheau said.

"The laboratories are not very product focused," she said. "They generally take things to the prototype phase, and then we wait for the market to take it."

As for a timeframe of when it wants to partner, Micheau said, "Yesterday" – mainly because the goal is to have the two platforms being produced within two years.

"When we search for licensing agreements, we do hope to recover a portion of our research costs, so it's a standard business agreement where companies could license our intellectual property and in return provide the laboratories with royalties," Micheau said, noting that any royalties would be funneled back into additional research. ■

APPOINTMENTS AND ADVANCEMENTS

Agilent Technologies Inc., of Palo Alto, Calif., named Darlene Solomon vice president and director of Agilent Laboratories.

Alnylam Holding Co., of Cambridge, Mass., appointed Kevin Starr to its board.

Argenta Discovery Ltd., of Harlow, England, appointed Richard Lingard vice president, business development.

Ariad Pharmaceuticals Inc., of Cambridge, Mass., appointed Paul Sekhri president and chief business officer, Timothy Clackson chief scientific officer, John Iuliucci chief development officer and Tomi Sawyer senior vice president, drug discovery.

ArQule Inc., of Woburn, Mass., named Chiang Li chief scientific officer and vice president, head of ArQule Biomedical Institute.

Axonyx Inc., of New York, appointed Gosse Bruinsma president and Gerard Vlak vice chairman of the board.

Bayhill Therapeutics Inc., of Palo Alto, Calif., added James Woody to its board.

The **Biotechnology Industry Organization** in Washington added Barbara Glenn as director of animal biotechnology and Hannah Highfill as director for international market access. Michael Phillips was promoted to vice president, food and agriculture, science and regulatory policy.

CollaGenex Pharmaceuticals Inc., of Newtown, Pa., appointed Paul Lubetkin senior vice president and general counsel.

Connetics Corp., of Palo Alto, named Lincoln Krochmal executive vice president, research and product development.

QuatRx Pharmaceuticals Co., of Ann Arbor, Mich., elected August Watanabe to its board.

Structural Genomix Inc., of San Diego, appointed Stephen Wasserman director of X-ray technology.

Targacept Inc., of Winston-Salem, N.C., added Jeffrey Brennan as vice president, business and commercial development.

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